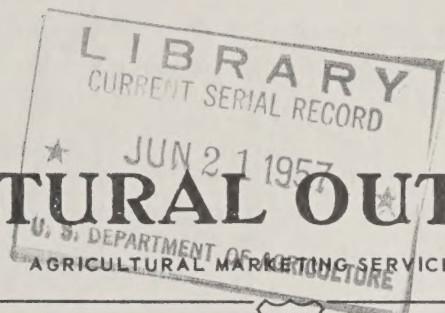


Reserve
1.941
58A982



FOR RELEASE
MAY 23, P. M.

The AGRICULTURAL OUTLOOK DIGEST

WASHINGTON, D. C.

AMS

AOD-29 MAY 1957

Hog numbers appear on the way up again after being cut back last year.

The pig crop this spring seems likely to at least equal last spring's, and a gain is expected for the fall. In 1956, the spring crop was reduced 8% from a year earlier . . . the fall crop 4%.

How far is the increase likely to go? This question is being asked by many who remember the collapse in hog prices in the last half of 1955.

As far as next fall's crop is concerned, the increase is likely to be moderate . . . possibly in the 4 to 6% range. This estimate is based on reports from producers in 9 leading hog States and the above average corn-hog ratio of recent months.

Such a crop probably would push prices in the spring of 1958 below those of this spring. Prices would probably be close to the spring average of the last 3 years. A much larger crop would face the possibility of serious price difficulty.

Favorable to the hog outlook is the prospect for a smaller output of beef. With cattle numbers now trending down, beef production is likely to ease off for at least a couple of years. This is likely to stiffen demand for pork.

This summer, hog prices will reach a seasonal peak and are expected to stay above a year earlier and at the highest level in 3 years. The seasonal decline this fall is likely to be greater than last year, but prices are expected to stay at or above 1956 levels until late in 1957.

CATTLE. The seasonal price increase in fed cattle this summer is likely to be gradual and prices are likely to hold well this fall. They will be above a year earlier most of the time.

About the usual decline in prices of feeders is expected this summer. Fewer calves and yearlings than in 1956 were carried over and rising prices for fed cattle will help strengthen the market.

EGGS. Production will be lower and prices higher this fall than last. Cut in output will result from sharp reduction in the 1957 replacement hatch. This will be partly offset by more old hens and a further rise in the rate of lay per bird. Prices are likely to move above a year earlier by September . . . stay generally above the rest of this year.

BROILERS. Summer prices may be at or above a year earlier. Production will be up but marketings of young chickens from egg laying flocks will be down. Supply of beef and pork also will be smaller.

DAIRY. Production is increasing seasonally and prices have declined, though they remain above last year. Price average for the year also is likely to show a small increase over 1956.

FEED. Corn prices are likely to continue below a year earlier this spring and summer. Little seasonal increase has occurred since last fall. The supply of corn this marketing year far exceeds use and the carryover next October 1 is expected to be up to 1,450 million bushels, a gain of 285 million bushels over October 1956.

WHEAT. The seasonal decline in wheat prices is likely to continue for several weeks. Supplies outside CCC are sufficient to meet needs until wheat from the new crop is available. Additional supplies for export could be drawn from CCC with subsidy payment-in-kind certificates.

FRUIT. A much larger strawberry crop than last year's record is in prospect. The 1957 crop is forecast at 694 million pounds, 26% above 1956 production. Stocks of frozen berries also are up.

The peach crop in the 9 southern States was forecast at 12% above last year as of May 1.

VEGETABLES. Fresh market total for this spring is estimated to be down 3% from last year. Most of the reduction is in the early spring crops of sweet corn, onions and tomatoes. Larger crops are anticipated for early spring cauliflower, cabbage, cucumbers, lettuce, asparagus and snap beans.

If weather is more normal this year, marketings in late spring will exceed last year's delayed movement and prices are likely to average below the relatively high 1956 levels.

COTTON. About 3 million acres of upland cotton land have been placed in the Soil Bank acreage reserve. This land will come out of the State acreage allotments which total 17.6 million.

WOOL. Use of apparel wool by mills in this country was below a year earlier each month from November through March. First quarter consumption was down 11%. Prices in most domestic and foreign markets in early May were somewhat higher than a year earlier.

TOBACCO. Auction sales of Maryland tobacco through May 10 totaled 5.9 million pounds, and brought an average price of 51.2 cents. This compares with 54.8 cents in the same period last year, and the support level of 47 cents. The 1956 crop, now being sold, was 22% larger than the 1955 crop.

Cigarette production the first three-quarters of this fiscal year exceeded a year earlier by 4%. But output of cigars was down slightly, snuff 2%, and smoking and chewing tobacco 5%.

SOYBEANS. Prices have been steady the last month, slightly above support but a fourth below a year earlier. About 51 million bushels of the 456 bushel 1956 crop were under support in mid-April, most of which probably will be taken over by CCC.